



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

October 29, 2004

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

XTO Energy, Inc.
810 Houston Street
Fort Worth, Texas 76102-6298

Attention: George A. Cox, CPL
george_cox@xtoenergy.com

Administrative Order NSL-5128

Dear Mr. Cox:

Reference is made to the following: (i) your application that was submitted to the New Mexico Oil Conservation Division ("Division") on October 20, 2004 (*administrative application reference No. pSEM0-429447573*); and (ii) the Division's records in Santa Fe and Aztec: all concerning XTO Energy, Inc.'s ("XTO") request to drill its proposed Bolack "C" Well No. 23 (**API No. 30-045-32553**) at an unorthodox Chacra gas well location 2245 feet from the North line and 665 feet from the East line (Unit H) of Section 29, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

The NE/4 of Section 29 is to be dedicated to this well in order to form a standard 160-acre gas spacing unit within the Otero-Chacra Pool (**82329**).

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

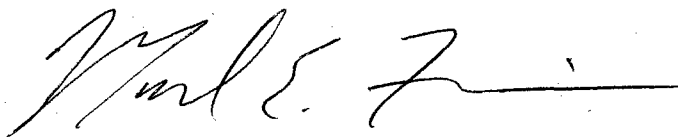
The Division understands this well is to be dually completed in both the Chacra formation and Blanco-Mesaverde Pool (**72319**). Under the rules governing the Blanco-Mesaverde Pool, see the "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987-A, issued in Case No. 12069 and dated February 1, 1999, as amended by Division Order No. R-10987-A (1), dated December 2, 2002, this location is considered to be orthodox within the existing standard 320-acre stand-up gas spacing and proration unit comprising the E/2 of Section 29.

It is further understood that all of Sections 28 and 29, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico comprise a single Federal lease (United States Government lease No. SF-079232) in which XTO is the leasehold operator; therefore, there are no effected offsets to the subject unorthodox Chacra gas well location.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Chacra gas well location within the proposed standard 160-acre gas spacing unit comprising the NE/4 of Section 29 is hereby approved.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', followed by a horizontal line.

Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management – Farmington